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ARMY Declass/Release  
Instructions On File\*

G-2 CONTRIBUTION TO NIE 27/1

I. THE CHINESE COMMUNIST SITUATION

A. 1. Eight armies of the Third Field Army totaling 240,000 troops in Chekiang and Fukien Provinces, and 9,000 troops of the Fourth Field Army in Eastern Kwangtung Province are now in position for an operation against Taiwan. If this entire force were employed, and unless reinforcements were received from adjacent areas, coastal defense and local security would become the responsibility of the Military District and "People's Militia" troops.

2. Virtually all of the armies in the Third Field Army have received some training in amphibious warfare but the degree is not known. Their combat effectiveness is rated generally good. They were weakened by the dispatch of replacement detachments for Korea, but recruitment has made up for these losses.

3. Reports have been received indicating that approximately 25,000 troops have received airborne training in North China and Manchuria, but the extent and nature of this program are not known.

4. There has been no significant change, since the preparation/<sup>of NIE 27,</sup> in the Chinese Communist ground forces positioned for possible operations against Taiwan.

B. Additional forces that the Chinese Communists could make available for an assault on Taiwan under present circumstances include 3 armies of the Third Field Army totalling 81,000 plus 10,000 special troops presently located in the Shanghai area, and 2 armies of the Fourth Field Army totaling 60,000 troops in the Canton area.

C. Major deficiencies in the Chinese Communist Army exist in artillery, supporting weapons, and in vehicles for the movement of supplies. The Soviet Union probably could make up these deficiencies.

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- D. 1. From the point of view of army forces available, the Chinese Communists could employ 13 Armies, totaling 390,000 men, 25,000 parachute troops and 10,000 special troops including an artillery division.
2. April and May are considered the best months for large-scale amphibious operations.
3. Present air reconnaissance of the China coast probably would not detect a Communist invasion fleet prior to the time it put out from the ports of embarkation. Increased Communist security measures would probably delay the receipt of information regarding the movement of troops and supplies to embarkation points but some indication of preparations would probably be available.
4. Sufficient manpower for replacement needs would be readily available. Supplies would undoubtedly be stockpiled in advance from Chinese Communist and USSR sources and probably in sufficient quantities. Control of the Formosan Straits, however, would be essential to maintaining the required daily waterlift.

## II. THE CHINESE NATIONALIST SITUATION

A. The Chinese Nationalist Army has a strength of 455,000 personnel organized into 38 infantry divisions, 4 armored groups, 1 paratroop group, 3 fort commands and 5 independent artillery regiments. The bulk of these forces is disposed on Taiwan; some combat elements are located on Matsau, Quemoy, and the Pescadores Islands. This represents no appreciable change since the preparation of HIE 27. Because of materiel and training deficiencies, absence of large unit and combined training, and the type of leadership on the higher levels, the combat effectiveness of much of the Nationalist Army is poor.

B. 1. The Generalissimo's policy of divide and rule, the promotion of officers based on personal allegiance and the system of political police continue to affect the morale of the armed forces adversely and to undermine the authority of unit commanders.

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2. Under present circumstance, the mobilization capacity of these forces is negligible and the mass induction of young men on the island is not feasible unless the U.S. greatly expands its proposed MDAP.

C. The Chinese Nationalists have effectively reduced the Communist subversive potential on Taiwan, which no longer constitutes a serious threat and would not even if internal Communist activities were coordinated with a Communist invasion. However, Communist personnel, infiltrated into Taiwan prior to any attempted assault, would engage in sabotage.

### III. PROSPECTS FOR SUCCESS OF A CHINESE COMMUNIST ASSAULT ON TAIWAN

#### A. Nationalist capabilities to defend Taiwan.

1. Without substantial U.S. armed participation, the Nationalists probably could not defend Taiwan against a maximum Chinese Communist effort.

2. Surprise raids against Taiwan would probably penetrate the defense of that island. Nationalist forces, however, are capable of successfully containing and destroying such attacking forces unless the raiders are aided by large-scale Chinese Communist reinforcements.

B. Considerable quantities of ammunition and spare parts as well as limited amounts of small arms have been received on Taiwan within the past several months. Major deficiencies still exist in small arms, artillery, tanks, vehicles, signal and engineer equipment and spare parts of all types. With full and immediate implementation of FY 51 and FY 52 MDAP and with adequate time for reorganization and training under MAAG supervision, the Chinese Nationalist Army would be capable of successfully carrying out its part in a combined defense of Taiwan. This assumes strong support from air and naval elements.

### IV. FACTORS INFLUENCING CHINESE COMMUNIST ACTIONS WITH RESPECT TO TAIWAN.

A. Sino-Soviet propaganda and diplomacy indicate that the occupation of Taiwan probably is an objective second only to Korea in importance. Lack of naval forces, continuation of the Korean operations, and interdiction by the U.S. Seventh Fleet will probably continue to delay the fulfillment of Communist ambitions with respect to Taiwan. In the meantime, however,

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the Communists will probably attempt to gain the Island by political means, either in connection with the Korean truce talks, or a political settlement involving over-all Far Eastern affairs.

B. The present U.S. policy concerning Taiwan is to enable the Chinese Nationalists to prevent the capture of Taiwan by the Communists, and also to prevent Taiwan from being used as a base of Nationalist operations against the mainland. This policy unquestionably has provided a strong deterrent to any contemplated operation against the Island.

V. WHAT ARE THE INDICATIONS OF CHINESE COMMUNIST INTENTIONS WITH RESPECT TO TAIWAN?

A. Military Preparations - Although most units in Chekiang and Fukien Provinces have engaged in amphibious training within the past few months, there are no discernible indications of Chinese Communist preparations for an immediate assault on Taiwan. Troop strength in East China since July 1951 shows no significant change. Replacements have been sent to Korea, but these losses have been made up by additional recruiting. No reports have been received which would indicate the massing of vessels, troops, or supplies necessary for an attempted invasion of Taiwan.

VI. CHINESE COMMUNIST INTENTIONS WITH RESPECT TO TAIWAN

While there is insufficient intelligence available upon which to base positive predictions regarding Chinese Communist intentions through mid-1952, it is believed that:

1. Under present conditions the probability of an attempted invasion of Taiwan prior to mid-1952 appears remote. The elimination of the Chinese Nationalist forces on Taiwan is not considered sufficiently important to warrant exposure to U.S. counteraction, except as a calculated risk which might be a part of Communist over-all strategy. Continued involvement of U.S. forces to prevent their use elsewhere appears to be a more logical reason for an attempted invasion; but the Chinese Communists might estimate that this state of affairs could be maintained by renewal of hostilities

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in Korea, and that such a course might not run the same risk which would be entailed by an extension of the field of military operations.

2. The Chinese Communists prior to mid-1952 may conduct reconnaissance, nuisance, or destruction raids (either by air or sea) against other Nationalist-held off-shore islands but are unlikely to conduct such operations against Taiwan itself.

3. The Chinese Communists probably will take some of the Nationalist-held off-shore islands during 1952 but such action would not necessarily indicate that an invasion of Taiwan is imminent.

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